

3M Aligns R&D to Drive Sustained Business Growth

- Corporate Research Laboratory to Further Energize Technology Development -

3M has announced the creation of a Corporate Research Laboratory to energize its cutting-edge science and technology development, while also aligning a portion of its existing technology center resources to drive accelerated growth in the seven market-focused businesses. 3M said there will be no direct impact on overall research and development (R&D) staffing levels or on the company's more than \$1 billion annual R&D and related expenditure.

Of 3M's 6,500 technical employees, 400 currently working in corporate technology centers will join the business R&D organizations. Meanwhile, the remaining 500 technology center employees will become part of a new Corporate Research Laboratory focused on advanced materials, processes and systems. The changes, which will occur mainly at 3M headquarters in St. Paul, will take effect October 1, 2003.

"Developing innovative technologies and matching them to customer needs is what 3M has always done best and it remains our primary growth engine," said W. James McNerney, Jr., chairman and CEO. "By bringing more of our technical people into 3M businesses, we are strengthening our ability to commercialize new products, now and well into the future," he said.

McNerney called the shift a "natural and essential step" in bringing 3M technology into alignment with customer needs. "By shifting more of 3M's R&D resources to the front lines," McNerney said, "we enhance the ability of our R&D employees to make an even greater difference, to create more winning products that will make an even bigger impact in the marketplace."

Jay Ihlenfeld, senior vice president, R&D, said "We're transferring technology to the businesses - where it's needed most - by transferring people. Now technical people can play more of a role in transforming pipeline projects into marketplace realities. At the same time, we are energizing our corporate-wide technology development and leadership through a state-of-the-art centralized laboratory clearly focused on a single mission of technology development."

Forward-Looking Statements

This news release contains forward-looking statements that reflect current views and estimates of 3M's management of future economic circumstances, industry conditions, company performance and financial results. The statements are based on many assumptions and factors including: (1) worldwide economic conditions; (2) foreign currency exchange rates and fluctuations in those rates; (3) the timing and acceptance of new product offerings; (4) purchased components and materials, including shortages and increases in the costs of such components and materials; (5) 3M's ability to successfully manage acquisitions, divestitures and strategic alliances; and (6) legal proceedings. Any changes in such assumptions or factors could produce significantly different results.

About 3M -- A Global, Diversified Technology Company

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telecommunications; safety, security and protection services; health care; industrial and transportation. For more information, including the latest product and technology news, visit www.3M.com.

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